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Expenditure Extract of the OSI Contribution

11. It is especially noteworthy that the Soviets invest nearly the same dollar equivalent in their total military programs as does the U.S. despite the much smaller size of their GNP, less than one-half that of the U.S. In 1967 in this program, they spent 40 percent more than we did for strategic offense (\$6.3 billion vs \$4.5 billion) and three times as much for strategic defense (5.1 billion vs \$1.7 billion). The defense budget for 1968 is being increased by 15 percent -- about twice the annual rate of increase for the preceding two years -- and we estimate the total defense and space spending at \$60 billion. In 1967 the R&D portion of the Soviet military and space budget represent a dollar equivalent of more than \$13 billion, and nearly matched that of the U.S. in space, R&D, testing, and evaluation. We project an annual growth rate of 5 to 10 percent over the next few years in the military R&D budget, a rate somewhat lower than than prevailing in the years just preceding 1965.

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